

HOUSE BUDGET COMMITTEE

Democratic Caucus

The Honorable John M. Spratt Jr. ■ Ranking Democratic Member

B-71 Cannon HOB ■ Washington, DC 20515 ■ 202-226-7200 ■ www.house.gov/budget_democrats

March 24, 2004

Major Groups Oppose Republican Budget

Dear Democratic Colleague:

Democrats are united in our conviction that the Republican budget being considered on the floor this week does not reflect America's values and priorities. Now, as the country is becoming aware of the details of the Republican budget, a growing chorus of voices is sounding the same theme: the Republican budget does not meet our nation's needs in important respects. Attached please find separate letters that have been circulated by leading veterans' groups, AARP, and leading environmental organizations — all opposing the Republican budget resolution.

Here is what people are saying:

The Independent Budget (AMVETS, Disabled American Veterans, Paralyzed Veterans of America, and Veterans of Foreign Wars of the United States): "Passage of the budget resolution, as presented, would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism."

AARP: "... the policies proposed in the budget resolution reported by the House Budget Committee are unfair, flawed, and should be rejected by the House."

League of Conservation Voters (LCV): "LCV opposes using the need to address our nation's fiscal problems as cover for starving critical environmental programs while leaving larger budget problems unresolved. We urge you to oppose the FY2005 budget resolution . . ."
(Similar language is included in a letter from 14 other environmental organizations.)

Clearly, the word is getting out about the serious flaws in the Republican budget resolution. I urge you to oppose the resolution when it comes to the floor tomorrow, and to vote in favor of the Democratic alternative, which does reflect the country's values and priorities.

Sincerely,

/S

John M. Spratt, Jr.

Ranking Democratic Member

THE INDEPENDENT BUDGET

A Budget for Veterans by Veterans

www.independentbudget.org

March 23, 2004

All Members
House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the co-authors of *The Independent Budget* (IB), AMVETS (American Veterans), Disabled American Veterans, Paralyzed Veterans of America, and the Veterans of Foreign Wars of the United States, we are writing to urge you to oppose and vote against H. Con. Res. 393, the House budget resolution for fiscal year 2005.

For veterans' discretionary programs, primarily veterans' medical care, H. Con. Res. 393 would provide \$1.3 billion below the minimum amount of funding determined necessary by the House Veterans' Affairs Committee, and \$2.0 billion below the amount of funding recommended by the IB just for VA health care services.

Despite an increase over the President's Budget request released in February, the budget resolution does not provide adequate funding for veterans' health care to meet the needs of sick and disabled veterans seeking care from the Department of Veterans Affairs (VA) health system. Last year, the Under Secretary for Health of the VA testified that the VA needs approximately 13 percent to 14 percent annually just to meet the costs of inflation and mandated salary increases. This budget does not even come close to meeting those needs.

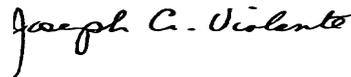
The co-authors of the IB call on you to reject this half-hearted attempt to fund veterans' health care. Passage of the Budget Resolution, as presented, would be a disservice to those men and women who have served this country and who are currently serving in Iraq, Afghanistan, and around the world in our fight against terrorism.

The IB veterans service organizations ask that Congress restore some sense of reason, responsibility, and justice to the budget process. Please vote to defeat this ill-advised budget resolution.

Sincerely,



Rick Jones
National Legislative Director
AMVETS



Joseph A. Violante
National Legislative Director
Disabled American Veterans



Richard B. Fuller
National Legislative Director
Paralyzed Veterans of America



Dennis Cullinan
National Legislative Director
Veterans of Foreign Wars
of the United States

A Joint Project of:

AMVETS
4647 Forbes Boulevard
Lanham, MD 20706
(301) 459-9600
www.amvets.org

DISABLED AMERICAN VETERANS
807 Maine Avenue, SW
Washington, DC 20024-2410
(202) 554-3501
www.dav.org

PARALYZED VETERANS OF AMERICA
801 Eighteenth Street, NW
Washington, DC 20006-3517
(202) 872-1300
www.pva.org

VETERANS OF FOREIGN WARS
OF THE UNITED STATES
200 Maryland Avenue, NE
Washington, DC 20002
(202) 543-2239
www.vfwdc.org



March 23, 2004

Dear Representative:

AARP is concerned with the effect of the policies recommended in the budget resolution, H. Con. Res. 393 and H.R. 3973, the Spending Control Act of 2004. While the budget outlook for large and continuing deficits requires some sacrifices, the policies proposed in the budget resolution reported by the House Budget Committee are unfair, unbalanced, and counterproductive. Similarly, the Spending Control Act is greatly flawed and should be rejected by the House.

AARP has serious concerns about proposals to reduce federal Medicaid funding. Arbitrary reductions in Medicaid would be particularly harmful at this time, as those who rely on this program are already losing access to care as states continue to wrestle with budget shortfalls and adjust to the loss of temporary assistance provided last year. We understand the need to correct funding mechanisms that may siphon off money meant for health care, but any savings achieved should be redirected and tracked to ensure that they are used to provide health care. Questionable practices must be addressed without immediate cuts that could harm some of our most vulnerable citizens, including the frail elderly, children and the disabled. The negative impact of arbitrary cuts would reverberate further to local health care providers as they struggle to furnish care without funding, and then again as costs are inevitably shifted to local governments, other insurers, and businesses.

The funding levels for domestic discretionary programs in the committee resolution are also deeply troubling to AARP and its members. The resolution assumes that non-homeland security domestic discretionary spending will be held \$114 billion below the Congressional Budget Office (CBO) baseline over five years. Many of the appropriated programs serving vulnerable populations have been frozen or reduced in recent years. Further funding reductions -- if the unrealistic level of discretionary spending is maintained -- will result in unacceptable cuts in the services provided to those people with the greatest need for them. Therefore, we urge you to support amendments to either the budget resolution or H.R. 3973 that include more appropriate levels for discretionary spending.

AARP believes that the revenue reconciliation instructions to the Committee on Ways and Means should be modified. The resolution provides for a revenue reconciliation bill that would reduce revenues by \$137.6 billion between 2005 and 2009, \$58 billion more than called for in the Senate budget resolution. However, the cost of this policy rises substantially over the ten year period. AARP urges the House to reconsider this proposed erosion of the revenue base at the very time when deficits remain high and the budget faces increased pressure from the upcoming retirement of the first baby boomers.

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The budget enforcement provisions in H.R. 3973 are uneven and should be rejected. AARP believes that both mandatory spending and revenues should be subject to a pay-as-you-go rule, and that this rule should be applied to all spending and revenue changes, including those policies assumed in the budget resolution. The provisions in the bill as reported by the Budget Committee would not include policies in the resolution under this budget discipline. The Senate, in its consideration of similar provisions, rejected this approach and adopted a provision that applies equally to new spending and tax cuts. We urge you to remedy this flaw in H.R. 3973.

We look forward to working with you to improve the budget resolution and to develop effective budget enforcement legislation. If you need any additional information, please feel free to contact me, or have your staff contact Ridge Multop of the Federal Affairs Department at (202) 434-3760.

Sincerely,

A handwritten signature in cursive script, appearing to read "William D. Novelli".

William D. Novelli



LEAGUE OF CONSERVATION VOTERS

March 24, 2004

United States House of Representatives
Washington, DC 20515

Re: Oppose the FY2005 budget resolution and H.R. 3973, the Spending Control Act of 2003

Dear Representative:

The League of Conservation Voters (LCV) is the political voice of the national environmental community. Each year, LCV publishes the *National Environmental Scorecard*, which details the voting records of Members of Congress on environmental legislation.

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Washington, DC
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202-785-8683
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<http://www.lcv.org>

LCV urges Congress to oppose the fiscal year 2005 budget resolution and H.R. 3973, the Spending Control Act of 2003. We appreciate the critical need to increase fiscal responsibility and our growing deficit. However, we oppose attempts to use the deficit as cover for starving environmental and natural resources priorities while leaving larger federal budget problems unresolved. Unfortunately, the funding levels in the budget resolution combined with unbalanced enforcement mechanisms in H.R. 3973 would cripple these programs. Taken together, the bills would:

Lock in crippling cuts to spending on the environment. The FY2005 budget resolution proposes deep cuts to programs that reduce pollution and protect our national treasures. Worse, H.R. 3973 would lock in these cuts through binding, five-year discretionary spending caps. By 2009, the caps would require environmental spending to be cut 14 percent below current activity levels.

Disproportionately target the environment and other priorities through unbalanced PAYGO rules. H.R. 3973 would reinstate the "pay-as-you-go" (PAYGO) requirement, but would only apply it to mandatory spending and not future tax cuts. As a result, Congress would be forced to pay for spending increases by cutting spending in other areas. Moreover, proposed tax cuts exempted from PAYGO would continue to increase the deficit, putting additional pressure on spending for environmental protection and other domestic priorities.

Fail to resolve the deficit. Attempts to confront the deficit that rely primarily on painful cuts in domestic spending will be unfair and ineffective. Non-defense discretionary spending currently accounts for only 18 percent of total annual spending. Even if Congress zeroed out all \$430 billion in non-defense, domestic discretionary spending this year, it would still not eliminate our current \$521 billion deficit.

LCV opposes using the need to address our nation's fiscal problems as cover for starving critical environmental programs while leaving larger budget problems unresolved. We urge you to oppose the FY2005 budget resolution and H.R. 3973 that together require deep cuts in funding for these programs.

LCV's Political Advisory Committee will consider including votes on these issues in compiling LCV's 2004 *Scorecard*. If you need more information, please call Betsy Loyless in my office at (202) 785-8683.

Sincerely,

Deb Callahan, President

American Rivers • Defenders of Wildlife • Earthjustice
Friends of the Earth • National Audubon Society • National Environmental Trust
National Parks Conservation Association • Natural Resources Defense Council
Oceana • The Ocean Conservancy • Physicians for Social Responsibility
Sierra Club • U.S. Public Interest Research Group • The Wilderness Society

March 23, 2004

**Re: Oppose fiscal year 2005 budget resolution and H.R 3973, the Spending Control Act
Deep budget cuts and unbalanced enforcement rules threaten the environment**

Dear Member of Congress:

On behalf of our millions of members, we urge you to oppose the fiscal year 2005 budget resolution and H.R. 3973, the Spending Control Act of 2003. These bills would not solve our nation's fiscal problems, but taken together would lock in deep and disproportionate cuts to environmental and natural resource programs for years to come.

We appreciate the critical need to increase fiscal responsibility and address our nation's growing deficit. However, we oppose attempts to use the deficit as cover for starving environmental and natural resources priorities while leaving larger federal budget problems unresolved. Unfortunately, the funding levels in the budget resolution combined with unbalanced enforcement mechanisms in H.R. 3973 would cripple these programs while failing to resolve our nation's fiscal problems. Taken together, the bills would:

Lock in crippling cuts to discretionary spending on the environment. The FY2005 budget resolution proposes deep cuts to programs that reduce pollution and protect our national treasures. Worse, H.R. 3973 would lock in these cuts through unrealistic five-year discretionary spending caps. Based on funding levels included in the House budget resolution, these caps would require Congress to cut spending on the environment and natural resources by five percent in 2005. **By 2009, the caps would require environmental spending to be cut 14 percent below current activity levels.**

Disproportionately target the environment and other priorities through unbalanced PAYGO rules. H.R. 3973 would reinstate the "pay-as-you-go" (PAYGO) requirement, but would only apply it to mandatory spending and not future tax cuts. As a result, although Congress would be forced to pay for spending increases by cutting spending in other areas, proposed tax cuts would be exempt from PAYGO. If the deficit increases as a result, it could necessitate additional cuts in environmental protection and other domestic priorities regardless of the impact on the public. This unbalanced approach to PAYGO abandons the principle of shared sacrifice needed to truly tackle the deficit.

Fail to resolve the deficit. Attempts to confront the deficit that rely primarily on painful cuts in domestic spending will be unfair and ineffective. Non-defense discretionary spending currently accounts for only 18 percent of total annual spending. Even if Congress zeroed out all \$430 billion in non-defense, domestic discretionary spending this year, it would still not eliminate our current \$521 billion deficit.

(continued)

Congress should support a balanced fiscal policy that will protect our environment and natural resources while truly addressing the deficit. Unfortunately, the FY2005 budget resolution and H.R. 3973 would together require deep and unbalanced cuts that would cripple clean water infrastructure, science and technology, the Land and Water Conservation Fund, public lands, wildlife conservation, ocean preservation and other critical priorities. We urge you to oppose both bills, and any other legislation that would lock in harmful environmental cuts through discretionary caps and other unbalanced budget enforcement changes.

Sincerely,

S. Elizabeth Birnbaum
Director of Government Relations
American Rivers

Mary Beth Beetham
Director of Legislative Affairs
Defenders of Wildlife

Marty Hayden
Legislative Director
Earthjustice

Sara Zdeb
Legislative Director
Friends of the Earth

Bob Perciasepe
Chief Operating Officer
National Audubon Society

Bill Frymoyer
Director, Public Policy
National Environmental Trust

Blake Selzer
Legislative Representative
National Parks Conservation Association

Wesley Warren
Deputy Director, Advocacy Center
Natural Resources Defense Council

Ted Morton
Federal Policy Director
Oceana

Julia Hathaway
Legislative Director
The Ocean Conservancy

Kyle Kinner
Legislative Director
Physicians for Social Responsibility

Debbie Boger
Deputy Legislative Director
Sierra Club

Anna Aurilio
Legislative Director
U.S. Public Interest Research Group

Linda Lance
Vice President for Policy
The Wilderness Society